

This gives a disadvantage to legal Americans and citizens and also legal immigrants who deserve a job. Sadly, we are seeing yet another example of how the President has pushed failed policies instead of working with House Republicans to help American families find jobs.

In conclusion, God bless our troops, and the President should take actions, never forgetting September the 11th in the global war on terrorism.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 4 p.m. today.

Accordingly (at 2 o'clock and 5 minutes p.m.), the House stood in recess.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PETRI) at 4 p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

FINANCIAL INSTITUTION BANKRUPTCY ACT OF 2014

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5421) to amend title 11 of the United States Code in order to facilitate the resolution of an insolvent financial institution in bankruptcy, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Financial Institution Bankruptcy Act of 2014”.

SEC. 2. GENERAL PROVISIONS RELATING TO COVERED FINANCIAL CORPORATIONS.

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting the following after paragraph (9):

“(9A) The term ‘covered financial corporation’ means any corporation incorporated or organized under any Federal or State law, other than a stockbroker, a commodity broker, or an entity of the kind specified in paragraph (2) or (3) of section 109(b), that is—

“(A) a bank holding company, as defined in section 2(a) of the Bank Holding Company Act of 1956; or

“(B) a corporation that exists for the primary purpose of owning, controlling and fi-

nancing its subsidiaries, that has total consolidated assets of \$50,000,000,000 or greater, and for which, in its most recently completed fiscal year—

“(i) annual gross revenues derived by the corporation and all of its subsidiaries from activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, from the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated annual gross revenues of the corporation; or

“(ii) the consolidated assets of the corporation and all of its subsidiaries related to activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, related to the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated assets of the corporation.”.

(b) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended by adding at the end the following:

“(1) Subchapter V of chapter 11 of this title applies only in a case under chapter 11 concerning a covered financial corporation.”.

(c) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking “or” at the end;

(B) in paragraph (3)(B), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(4) a covered financial corporation.”; and

(2) in subsection (d)—

(A) by striking “and” before “an uninsured State member bank”; and

(B) by striking “or” before “a corporation”; and

(C) by inserting “, or a covered financial corporation” after “Federal Deposit Insurance Corporation Improvement Act of 1991”.

(d) CONVERSION TO CHAPTER 7.—Section 112 of title 11, United States Code, is amended by adding at the end the following:

“(g) Notwithstanding section 109(b), the court may convert a case under subchapter V to a case under chapter 7 if—

“(1) a transfer approved under section 1185 has been consummated;

“(2) the court has ordered the appointment of a special trustee under section 1186; and

“(3) the court finds, after notice and a hearing, that conversion is in the best interest of the creditors and the estate.”.

(e)(1) Section 726(a)(1) of title 11, United States Code, is amended by inserting after “first,” the following: “in payment of any unpaid fees, costs, and expenses of a special trustee appointed under section 1186, and then”.

(2) Section 1129(a) of title 11, United States Code, is amended by inserting after paragraph (16) the following:

“(17) In a case under subchapter V, all payable fees, costs, and expenses of the special trustee have been paid or the plan provides for the payment of all such fees, costs, and expenses on the effective date of the plan.

“(18) In a case under subchapter V, confirmation of the plan is not likely to cause serious adverse effects on financial stability in the United States.”.

(f) Section 322(b)(2) of title 11, United States Code, is amended by striking “The” and inserting “In cases under subchapter V, the United States trustee shall recommend to the court, and in all other cases, the”.

SEC. 3. LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION.

Chapter 11 of title 11, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

“§ 1181. Inapplicability of other sections

“Sections 303 and 321(c) do not apply in a case under this subchapter concerning a covered financial corporation.

“§ 1182. Definitions for this subchapter

“In this subchapter, the following definitions shall apply:

“(1) The term ‘Board’ means the Board of Governors of the Federal Reserve System.

“(2) The term ‘bridge company’ means a newly formed corporation to which property of the estate may be transferred under section 1185(a) and the equity securities of which may be transferred to a special trustee under section 1186(a).

“(3) The term ‘capital structure debt’ means all unsecured debt of the debtor for borrowed money for which the debtor is the primary obligor, other than a qualified financial contract and other than debt secured by a lien on property of the estate that is to be transferred to a bridge company pursuant to an order of the court under section 1185(a).

“(4) The term ‘contractual right’ means a contractual right of a kind defined in section 555, 556, 559, 560, or 561.

“(5) The term ‘qualified financial contract’ means any contract of a kind defined in paragraph (25), (38A), (47), or (53B) of section 101, section 741(7), or paragraph (4), (5), (11), or (13) of section 761.

“(6) The term ‘special trustee’ means the trustee of a trust formed under section 1186(a)(1).

“§ 1183. Commencement of a case concerning a covered financial corporation

“(a) A case under this subchapter concerning a covered financial corporation may be commenced by the filing of a petition with the court—

“(1) by the debtor under section 301 only if the debtor states to the best of its knowledge under penalty of perjury in the petition that it is a covered financial corporation; or

“(2) by the Board only if the Board states to the best of its knowledge under penalty of perjury in the petition that—

“(A) the debtor is a covered financial corporation that—

“(i) has incurred losses that will deplete all or substantially all of the capital of the covered financial corporation, and there is no reasonable prospect for the covered financial corporation to avoid such depletion;

“(ii) is insolvent;

“(iii) is not paying, or is unable to pay, the debts of the covered financial corporation (other than debts subject to a bona fide dispute as to liability or amount) as they become due; or

“(iv) is likely to be in a financial condition specified in clause (i), (ii), or (iii) sufficiently soon such that the immediate commencement of a case under this subchapter is necessary to prevent serious adverse effects on financial stability in the United States; and

“(B) the commencement of a case under this title and effecting a transfer under section 1185 is necessary to prevent serious adverse effects on financial stability in the United States.

“(b)(1) Unless the debtor consents to an order for relief, the court shall hold a hearing on the Board’s petition under subsection (a)(2) as soon as practicable but not later than 16 hours after the Board files such a petition, with notice only to—

“(A) the covered financial corporation;

“(B) the Federal Deposit Insurance Corporation;

“(C) the Office of the Comptroller of the Currency of the Department of the Treasury; and